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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Hillstone Restaurant Group Incorporated,

10 Plaintiff,

11 v.

12 Houston's Hot Chicken Incorporated, et al.,

13 Defendants.
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No. CV-22-02004-PHX-MTL

PRELIMINARY INJUNCTION

15 Before the Court is Plaintiff's Motion for Preliminary Injunction (Doc. 26). Having
16 read and considered all matters of record and argument of counsel, and pursuant to this
17 Court's Order entered on January 5, 2023 (Doc. 37), Plaintiff's Motion is granted in part.

18 The Court finds as follows:

19 1. This Court has personal jurisdiction over Defendants because they are
20 engaging in the transaction of business in this judicial district, are committing tortious acts
21 within this judicial district, and have otherwise made or established contacts with this
22 judicial district sufficient to permit the exercise of personal jurisdiction by this Court over
23 them.

24 2. Venue is proper in this District under 28 U.S.C. § 1391(b) because substantial
25 part of the events and injury giving rise to Plaintiff's claims occur within this judicial
26 district and because Defendants are subject to personal jurisdiction within this judicial
27 district.

28 3. For the reasons set forth in the Court's January 5 Order, the Court finds that

1 Plaintiff is substantially likely to prevail on the merits of its claim for breach of contract,
2 that Plaintiff will suffer irreparable harm absent the entry of this preliminary injunction,
3 and the balance of equities and public interest favors entry of preliminary injunctive relief.

4 **IT IS THEREFORE ORDERED AS FOLLOWS:**

5 Defendants and each of their respective officers, employees, agents, servants,
6 owners, and members, and all of those persons in active concert or participation with any
7 of them who receive actual notice of this Order, including Defendants' franchisees, shall:

8 1. Cease the use of any and all paper or plastic products and other packaging
9 that incorporate or display the HOUSTON'S HOT CHICKEN mark, the HOUSTON'S
10 HOT CHICKEN & Design mark, and any other marks that include the terms "Houston's"
11 or "Houstons" (the "HOUSTON'S HOT CHICKEN Marks"), including napkins, cups, tray
12 liners, food boxes, bags, wrappers, and any other items used in or sold by Defendants in
13 their restaurants in the United States that bear the HOUSTON'S HOT CHICKEN Marks
14 by January 10, 2023;

15 2. Cease use of any social media posts that include the HOUSTON'S HOT
16 CHICKEN Marks in text, image, or video intended for and used in connection with U.S.
17 stores within one calendar day of the entry of this Order;

18 3. Within one calendar day of the entry of this Order: (a) provide the Court and
19 Plaintiff with evidence sufficient for the Court and Plaintiff to verify that Defendants have
20 sent the notices required by Section 1(c) of the Trademark Settlement Agreement (the
21 "Agreement") between the parties to each of the Defendants' franchisees, including by
22 providing the full franchisee entity name for each notice Defendants have sent, and (b)
23 send notice to any franchisee that has not yet received the required notice and provide a
24 copy of the same to the Court and Plaintiff, which notice shall include the full legal name
25 of the franchisee.

26 **IT IS FURTHER ORDERED** that Defendant Houston Crosta is permitted to
27 maintain his ownership of the Instagram account handle houstonshotchicken, but
28 Defendants are enjoined from using that handle to redirect consumers to the hhc Instagram

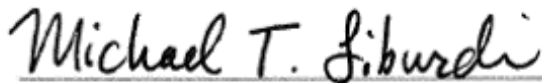
1 account or otherwise referencing HHC or the hhc Instagram handle in connection with the
2 houstonshotchicken account because doing so is in breach of Section 1(i) of the Agreement.

3 **IT IS FURTHER ORDERED** that Plaintiff shall post a bond in the amount of
4 \$50,000 with the Clerk of Court and notify the Court that the bond has been posted, no
5 later than Tuesday, January 17, 2023.

6 **IT IS FURTHER ORDERED** that Defendants are advised that failure to comply
7 with this Order in any respect could result in the entry of monetary or other sanctions
8 against them.

9 **IT IS FINALLY ORDERED** that this Order shall take effect immediately upon
10 the posting of Plaintiff's bond and shall remain in effect unless or until modified by this
11 Court or the entry of final judgment in this case. Once Defendants are in compliance with
12 this Order, they may petition the Court to have the injunction modified or dissolved.

13 Dated this 17th day of January, 2023.

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16 Michael T. Liburdi
17 Michael T. Liburdi
18 United States District Judge
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